

SYLVIA ALLEN
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COMMITTEES:

NATURAL RESOURCES,
INFRASTRUCTURE, & the PUBLIC DEBT

APPROPRIATIONS

EDUCATION ACCOUNTABILITY &
REFORM

RETIREMENT & RURAL DEVELOPMENT

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Arizona State Senate

2009 AUG 10 P 12:18

AZ CORP COMMISSION
DOCKET CONTROL

2009 AUG 10 P 12:17

August 4, 2009

Kristin Mayes, Chairman
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Dear Chairman Mayes:

Historically, when someone wanted to build on a piece of land, the utility companies installed the necessary infrastructure for the first 1000 feet at no charge to the property owner, spreading the cost of the installation into their overall rates. Recently, however, the Arizona Corporation Commission eliminated the policy of providing free extensions. Utility companies now charge individual owners for the installation of the electrical infrastructure. Based on the idea that "growth must pay for itself," this change has resulted in outrageous charges to property owners amounting to thousands of dollars. The new policy inhibits growth and devalues property, causing numerous unintended consequences, not the least of which is decreased property taxes. Many people who bought property planning to build on it are now not able to even consider building because of the many thousands of dollars in expenses they face merely to bring electricity to their property.

This policy has robbed people of the use of their vacant land and driven property values down because now those parcels of land do not have utilities available. Furthermore, it is driving up the cost of development and putting land and home ownership out of reach for many of our citizens who want to buy land. It robs small communities of growth opportunities, slows the economy, and discourages business development in what could have been thriving, healthy villages but are instead stagnant towns. Adding [in many cases] tens of thousands of dollars to the cost of home construction is a deterrent and an obstacle that is unsurmountable for many people.

Please reverse this policy and return to the former practice of allowing up to 1,000 feet of free utility extensions before charging customers.

Thank you.

Sincerely,

Senator Sylvia Allen

SA:kw

cc: Commissioner Paul Newman
Commissioner Gary Pierce
Commissioner Sandra D. Kennedy
Commissioner Bob Stump

Arizona Corporation Commission
DOCKETED

AUG 10 2009

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STEVE PIERCE
PRESIDENT PRO TEM
DISTRICT 1



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Arizona State Senate

COMMITTEES:

NATURAL RESOURCES,
INFRASTRUCTURE AND PUBLIC DEBT
VICE CHAIR

APPROPRIATIONS

FINANCE

RETIREMENT AND RURAL DEVELOPMENT

RULES

August 4, 2009

The Honorable Kristin Mayes
Chairman, Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Dear Chairman Mayes:

The Corporation Commission has recently eliminated the utility companies policy of providing free extensions for the first 1000 feet of service allowed to property owners. This change has resulted in decreased property values and has driven up the cost of development. It has made it impossible for some property owners to build on their property. The extra installation charges added to the cost of home construction is an unsurmountable obstacle for many people.

It robs small communities of growth opportunities, slows the economy and discourages business development.

I am asking the Corporation Commission to please reverse this policy.

Sincerely,

A handwritten signature in cursive script that reads "Steve Pierce".

Steve Pierce
State Senator – District 1

SP/an

Cc: Commissioner Paul Newman
Commissioner Gary Pierce
Commissioner Sandra D. Kennedy
Commissioner Bob Stump